

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6499**

**BILL NUMBER:** HB 1069

**DATE PREPARED:** Nov 26, 2001

**BILL AMENDED:**

**SUBJECT:** High School Study of Economics.

**FISCAL ANALYST:** Chris Baker

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires school corporations to offer College Board advanced placement courses in economics. The bill provides that a student must complete at least one school year of study in economics to receive an academic honors diploma.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** For FY 2003, Public Law 291-2001 appropriated \$1 M for the Advanced Placement Program from the state General Fund. Current Indiana law requires that school corporations provide the College Board's science and math advanced placement courses. In accordance with this bill, school corporations would also be required to offer the College Board's economics advanced placement course. The state impact of providing the test could be \$38,300 to \$44,900 per year. If an additional 40 to 50 teachers enrolled for training to teach the AP economics course, the estimated impact would increase by \$24,000 to \$30,000.

The bill would also require one year of economics studies to receive an academic honors diploma. (Currently one semester is required.) For the 1999-2000 school year, 13,407 honors diplomas were awarded. (A total honors diploma grant of \$12,401,475 was awarded for CY 2001.) The CY 2002 tuition support formula provides funding of \$925 per honors diploma granted for the 2000-2001 school year.

The one year of economics requirement might reduce the number of honors diplomas granted and therefore would result in a savings in tuition support to the state. Any savings would revert to the state General Fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** If the requirement of a year of economics studies reduces the number of honors diplomas awarded by schools, then schools will experience a reduction in the honors diploma grant portion of the tuition support formula. The tuition support formula currently provides \$925 per honors diploma grant from the previous school year.

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** School corporations.

**Information Sources:** Jeff Zaring, Administrator, State Board of Education, Indiana Department of Education, (317) 232-6622; DOE SAS Data Sets.